

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into
Implementation of Assembly Bill 970 Regarding
the Identification of Electric Transmission and
Distribution Constraints, Actions to Resolve
Those Constraints, and Related Matters Affecting
the Reliability of Electric Supply.

Investigation 00-11-001
(Filed November 2, 2000)

**ADMINISTRATIVE LAW JUDGE'S RULING
ADDRESSING SCOPE OF WORK FOR
RENEWABLES TRANSMISSION STUDY**

This ruling modifies and clarifies the scope of work for the utilities' Senate Bill (SB) 1038 renewables transmission studies, as established in Attachment A (the Work Scope Attachment) to the March 27, 2003 Administrative Law Judge's ruling on this matter.

The California Energy Commission (CEC) forwarded its Preliminary Renewables Resource Assessment on July 1, 2003, as planned. The California Independent System Operator (ISO) hosted a stakeholder meeting on July 7, 2003, to facilitate development by the utilities of study plans to assess the additional transmission facilities that would be required to accommodate the resources identified by the CEC. A follow-up conference call was held on July 11, 2003.

Unless specifically modified or further clarified by today's ruling, the Work Scope Attachment defines the scope of work for the utilities' studies. As discussed in Decision (D.) 03-07-033, the Commission expects the utilities to

delineate a set of transmission system upgrades related to renewable resource development that appear most likely to be required, based on the geographic location and magnitude of resource development projected by the CEC, and to describe what affirmative steps should be taken now to plan for them. Such steps could include assessments of major environmental issues, land acquisition, and the filing of applications for certificates of public convenience and necessity.

The utilities are expected to work on an on-going basis with Energy Division staff to ensure that their reports to be filed by August 29, 2003, contain sufficient detail and explanation and are in such a format so as to facilitate public review and the Commission's development of its December 1, 2003 report to the Legislature.

Renewables Transmission Plans for 2005, 2008, and 2017

In expectation that the CEC's renewable resource assessment would identify renewable resource additions for years 2005 and 2008, the March 27 ruling required that the utilities prepare renewables transmission plans for those two years. In its July 1 assessment, the CEC provided a Renewable Portfolio Standard (RPS) supply scenario which identifies renewables resource additions for year 2017 in addition to those two years.

The utilities' reports shall contain renewables transmission plans for each of the years 2005, 2008, and 2017 based on the additional supply to meet RPS demand identified in the CEC's July 1 report.¹ The requirements in the Work Scope Attachment for the 2005 and 2008 renewables transmission plans apply

¹ The RPS supply scenario is summarized in Table 4 and Table 5 of the July 1 assessment, with more detail regarding geographic location in the CEC's Appendix C.

equally to the year 2017 transmission plans, although it is understood that there may be less certainty in the results for 2017 than for the earlier years.

Consistent with Section 1 of the Work Scope Attachment, the plans shall provide for phased construction to accommodate the renewable generation development identified for each year in the CEC's preliminary assessment. The plans shall not be designed to accommodate resources that the CEC identifies as Remaining Potential. For example, if the total resource development would require a 500 kilovolt (kV) line but a 69 kV line is adequate for the generation shown for 2017, the 2017 plan will include a 69 kV line.

Effects of Accelerated RPS Goal

The Energy Action Plan accelerates to 2010 the goal in Senate Bill (SB) 1078 to obtain 20% of retail electricity sales from renewable sources by 2017. The CEC states that it plans to include an accelerated RPS scenario consistent with the Energy Action Plan in its December 1, 2003 Renewable Resource Development Report.

In order to allow Commission evaluation of transmission needs consistent with the Energy Action Plan, the utilities shall address in their August 29, 2003 reports the changes that would be needed in the renewables transmission plans to accommodate the accelerated renewables goal in the Energy Action Plan. Because of time constraints and the lack of a fully developed accelerated RPS scenario, this assessment may necessarily be conceptual in nature. For clarity, assessment of the accelerated RPS goal shall be in a separate section of each utility's report.

Renewables Transmission Needs Beyond the RPS Goal

The CEC's July 1 assessment identified potential renewables resources in addition to those needed to meet the RPS goal. CEC staff subsequently conveyed

two planned additions to the Remaining Potential shown in the CEC's Table 4: 810 megawatts (MW) of wind in Kern County and 195 MW of geothermal in Mono County.

The utilities shall report conceptual plans for transmission modifications that may be needed if the Remaining Potential identified by the CEC, including the wind and geothermal additions indicated in the preceding paragraph, is developed after the RPS goals are met. The plans shall address transmission needs of potential solar resources separate from the other resources. For geothermal, wind, and biomass, and to the extent feasible for solar, the plans shall include line voltages and approximate routing and substation locations. The plans need not include cost. The assessment of Remaining Potential resources shall be in a separate section of each utility's report.

Clarifications of Renewables Transmission Plan Requirements

The following clarifications reflect discussions among the parties during and subsequent to the July 7 meeting:

1. The renewables transmission plans for years 2005 and 2008 will be increments to transmission networks described in each utility's Annual 5-Year Plan for 2008. The renewables transmission plans for year 2017 will be increments to networks described in each utility's 10-Year Plan for 2013. The renewables transmission plans will not include non-renewable resource generation unless it is already identified in the 5-year or 10-year plan; for example, a plan for 2008 would not include transmission for gas-fired generation starting in 2010.
2. Because ISO reliability criteria do not address congestion situations, the first clause of the fifth sentence in Section 1 on page 2 of the Work Scope Attachment should be deleted as follows:

~~ISO reliability criteria will be applied to mitigate the resulting potential transmission congestions, that is, as described further in #3 below, i~~In cases where there is congestion between the point of insertion into the grid and the load center, the utilities will identify the potential congested transmission facilities and identify the potential, cost-effective facilities needed to relieve the congestion.

3. Transmission line routes will be identified and right-of-way costs estimated. Potential environmental problems and mitigation measures will be described and cost estimates made of the mitigation measures. For instance, where a direct transmission line route would traverse an environmentally sensitive area, the line will be routed around that area and the reason for the longer route described in the report.
4. Each utility may use its engineering judgment to identify renewable resources in the CEC's RPS supply scenario that do not create a potential need for transmission upgrades and, on that basis, may exclude those resources from further study. For each renewables transmission plan (2005, 2008, 2017, and Remaining Potential), the utility shall identify each renewable resource for which such a determination has been made.
5. In recognition of time constraints, the utilities may make simplifying assumptions and may use typical equipment parameters and generic costs. The reports shall describe any simplifying assumptions and the source of typical parameters and generic costs.

I gave parties advance electronic notice of this ruling on July 18, 2003, due to the shortness of time.

Therefore, **IT IS RULED** that the utility filings due in this proceeding by August 29, 2003, shall be prepared consistent with the modifications and clarifications set forth in this ruling.

Dated July 21, 2003, at San Francisco, California.

/s/ CHARLOTTE F. TERKEURST

Charlotte F. TerKeurst
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Addressing Scope of Work for Renewables Transmission Study on all parties of record in this proceeding or their attorneys of record. In addition, service was also performed by electronic mail.

Dated July 21, 2003, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.